

Senate Committee
on Budget and Fiscal Review
SUBCOMMITTEE 4

**MAJOR ACTION
REPORT**

May 28, 2003

Senate Bill 53
2003-04 Budget Bill

Members

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SUBCOMMITTEE No. 4

LEGISLATIVE, EXECUTIVE, JUDICIARY, TRANSPORTATION, and GENERAL GOVERNMENT

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TRANSPORTATION

0520 SECRETARY FOR BUSINESS, TRANSPORTATION, AND HOUSING

- Rejected the Governor's proposal to consolidate the Office of Traffic Safety

2660 DEPARTMENT OF TRANSPORTATION

- Authorized a \$938 million loan from the Transportation Investment Fund (TIF) to the General Fund.
- Approved General Fund repayment to the TIF by 2008-2009.
- Approved transfer of \$87 million in "spillover" revenues from the Public Transportation Account (PTA) to the General Fund.
- Restored \$207 million of Proposition 42 funds to the Traffic Congestion Relief Program.
- Restored \$11 million (State Highway Account funds) to the Environmental Enhancement Mitigation Program.
- Rejected the Governor's proposal to consolidate the High Speed Rail Authority within Caltrans.

2720 CALIFORNIA HIGHWAY PATROL

- Approved the creation of a Public Safety Surcharge fee to provide \$103 million in ongoing support for CHP protective and security services.

2740 DEPARTMENT OF MOTOR VEHICLES

- Approved the Governor's proposal to raise various fees for drivers licenses, identification cards, and vehicle registration. In total the fee increases will provide \$333 million in annual revenues for the Motor Vehicle Account.

Trailer Bill Language

1. Amends provisions of SB 2084 (Polanco, Chapter 861, Statutes of 2000) to correct loopholes in the vehicle Truck Weight Fee. SB 2084 requires the new Truck Weight Fee schedule to be revenue neutral, however the State Highway Account has lost approximately \$160 million since SB 2084 was enacted.

STATE ADMINISTRATION

0650 OFFICE OF PLANNING AND RESEARCH

- Augmented by \$2 million for Cesar Chavez Day of Learning Grants.

0840 CONTROLLER

- Adopted alternative trailer bill language to eliminate interest on payments under the Unclaimed Property Program instead of charging a fee.

1120 BOARD OF ACCOUNTANCY

- Augmented by \$270,000 (special funds) for 3 permanent investigator positions.

1700 FAIR EMPLOYMENT AND HOUSING

- Augmented by \$3.1 million (GF) and 45 PYs to restore proposed 20 percent reduction.

1730 FRANCHISE TAX BOARD

- Augmented by \$800,000 (GF) and increased revenues by \$4.4 million (GF) by reducing the tax liability threshold from \$200 to \$100 in the Integrated Non-Filer Compliance Program.
- Approved trailer bill language to require tax professionals who file 100 or more personal income tax returns to e-file with a provision for taxpayers to opt out of the program. This would result in reduced savings of \$443,000 and 15.5 PYs.
- Rejected trailer bill language to impose a fee on candidates and lobbyists at the time of filing statements with the Secretary of State to pay for compliance audits. The fee would have reduced a transfer to the FTB for this purpose of \$1.36 million (GF).

1760 GENERAL SERVICES

- Adopted trailer bill language to increase the maximum 911 rate from 0.75 percent to 1.00 percent. Denied the proposal to dedicate increased funding to CHP.
- Augmented by \$1.5 million, per DOF, to develop and provide a procurement training program.

2100 ALCOHOLIC BEVERAGE CONTROL

- Augmented by \$650,000 (ABCF) to restore investigator and support positions that had been eliminated.

2180 CORPORATIONS

- Denied Finance Letter to augment STOPP program by \$4 million (SCF) for a media campaign.
- Denied Finance Letter to restore \$407,000 (SCF) to restore funding for vacant positions.
- Approved transfer of \$39.6 million, per DOF, in settlement funds to the GF and increased the transfer by \$4.4 million.

2240 HOUSING AND COMMUNITY DEVELOPMENT

- Augmented \$65,000 (GF) to reinstate funding for Housing Preservation Research Contract.
- Augmented \$1.3 million (GF) for the Emergency Housing and Assistance Program.
- Denied proposal to increase rents at migrant centers and instead adopted budget bill language revoking HCD's authority to raise rents in 2003-04 and augmented by \$625,000 (GF).
- Augmented by \$721,000 (GF) and adopted budget bill language prohibiting increase in regulatory fees on employers that provide employee housing for 2003-04.
- Adopted budget bill language authorizing payment through redirection of already appropriated funds for settlement costs in Vega case.
- Adopted trailer bill language allowing use of bond funds to pay for rehabilitation of the Planada Migrant Services Center in Merced County.
- Approved transfer of \$39.75 million (GF) from Self-Help Housing Fund (SHHF) and Housing Rehabilitation Loan Fund (HRLF) to the GF and instead authorize the use of Proposition 46 bond funds for projects with GF appropriations. This transfer is conditional upon approval of funding augmentations for Housing Preservation, Research Contract, EHAP, Office of Migrant Services program, and Employee Housing Program.
- Approved transfer of \$16.7 million, per DOF, from the SHHF and HRLF to the General Fund for delayed projects.
- Approved augmentation of \$22.5 million (federal funds), per DOF, for Home Investment Partnership Program.

- Augmented \$749,000 (GF) to reimburse COGs for the mandate for regional housing needs.

2310 OFFICE OF REAL ESTATE APPRAISERS

- Denied trailer bill language to eliminate the department and transfer the responsibilities to the Department of Corporations.

2920 TECHNOLOGY, TRADE AND COMMERCE AGENCY

- Reduced GF transfer and funding for Film California First program by \$2.2 million (GF).
- Approved Foreign Trade Offices as budgeted.
- Denied Finance Letter to restore \$480,000 (GF) for contract foreign trade offices. This funding was deleted in current year.
- Denied Finance Letter to restore \$180,000 (GF) for Military Base Reuse and Retention Program.
- Restored \$126,000, per DOF, for support of the California Main Street program.
- Restored \$326,000 (GF), per DOF, to administer the Small Business Loan Guarantee Program.
- Approved \$2 million (GF) for Manufacturing Technology Program, per DOF.
- Approved Finance Letter to restore \$2.5 million (GF) for Tourism Marketing Contracts and augmented by an additional \$2.5 million (GF).

8260 ARTS COUNCIL

- Approved funding for Wiesenthal Center at \$1.5 million (GF) per DOF.
- Approved Finance Letter to delete \$127,000 (GF) for special initiatives.
- Denied Finance Letter to reduce Arts in Education by an additional \$1.7 million (\$1.4 million GF).
- Denied Finance Letter to delete \$932,000 (GF) for Artists in Residence Program.
- Denied Finance Letter to delete \$932,000 (GF) for statewide projects.
- Denied Finance Letter to augment Performing Arts Touring program by \$130,000 (GF).
- Denied Finance Letter to reduce Organization Support grants by an additional \$1.4 million.

- Adopted budget bill language to specify that 50 percent of the funds for Organization Support grants must be spent for Multicultural Arts Development Program.
- Approved reappropriation for Wal-Las Memorias project.
- Denied Finance Letter to reduce state operations by \$532,000 (GF).

8380 PERSONNEL ADMINISTRATION

- Approved Finance Letter to augment by \$11.3 million (GF) to restore funding for Rural Health Care Equity program for annuitants. Adopted trailer bill language to limit payments to California residents only for annuitants.
- Denied Finance Letter to augment by \$1.5 million (GF) and authority to hire limited-term staff to process layoffs.

8940 MILITARY DEPARTMENT

- Adopted trailer bill language requiring the department to contract with Orange County Fire Authority for fire protection services for their Los Alamitos facility.

9100 TAX RELIEF

- Restored \$40.1 million (GF) for Open Space subventions (Williamson Act Contracts) per DOF.

9210 LOCAL GOVERNMENT

- Adopted trailer bill language to transfer \$250 million for 2003-04 only from redevelopment agencies to ERAF using a proportional formula.

CONTROL SECTIONS

4.10 EMPLOYEE COMPENSATION SAVINGS PLAN

- Amended control section and adopted trailer bill language to adjust departmental appropriations to reflect implementation of an employee compensation savings plan.

5.50 CONTRACT RENEGOTIATIONS

- Adopted a new control section (alternative to DOF proposal) and trailer bill language to generate savings of up to \$100 million (\$50 million GF) through various contract renegotiations.

JUDICIARY

0250 JUDICIARY

- Reduced the GF unallocated reduction to the Judiciary from \$17.7 million to \$8.5 million with the reduction coming from state operations only.
- Rejected the proposal to increase the appellate filing fee to \$630. Instead approved trailer bill language to increase the appellate filing fee to \$485, the Supreme Court filing fee to \$420, and the deposit for transcripts to \$270 for a total revenue increase of \$2.1 million. All new fees and the base fees (\$1.6 million) to be deposited into the newly created Appellate Court Trust Fund. Imposition of the new fees is contingent upon the approved level of funding cuts.

0280 COMMISSION ON JUDICIAL PERFORMANCE

- Rejected the proposed 25 percent GF reduction (\$1 million) and approved a GF reduction of 8 percent (\$331,000).

0390 JUDGES' RETIREMENT SYSTEM

- Approved Finance Letter to reduce the appropriation by \$10.3 million, leaving a fund balance of one month's worth of benefit payments.

0450 TRIAL COURT FUNDING

- Reduced the proposed GF unallocated reduction from \$116 million to \$85 million, with the following allocation: \$59.8 million from trial court operations, \$10 million from judicial salary savings, \$10 million from the Improvement Fund, \$4.3 million from the Modernization Fund, and \$900,000 from the Assigned Judges program.
- Rejected the court security contracting out proposal and adopted trailer bill language directing the Judicial Council, in consultation with sheriffs and California State Association of Counties (CSAC), to establish common standards and requirements for court security services.
- Approved \$31 million GF reduction to the Trial Court Trust Fund (TCTF) and approved trailer bill language to offset reduction with an increase of \$31 million in undesignated fees that the counties currently retain.
- Rejected proposal to achieve \$31 million in GF savings through the implementation of electronic court recording.

- Rejected trailer bill language to achieve \$5.5 million in GF savings from court ownership of transcripts.
- Approved a GF decrease of \$1.2 million from the TCTF and offset with new fee revenue from increasing the Trial Motion Fee from \$23 to \$33. Imposition of the increased fees (and all the new fee proposals in this item) is contingent upon the approved level of funding cuts.
- Approved a GF decrease of \$28.9 million from the TCTF and offset with new fee revenue from increasing the filing fee for limited jurisdiction cases above \$10,000 from \$90 to \$185.
- Approved a GF decrease of \$1.6 million from the TCTF and offset with new fee revenue from an increase in the Small Claims filing fees from \$35 to \$50 for filers of more than 12 filings annually.
- Approved a GF decrease of \$760,000 from the TCTF and offset with new fee revenue from an increase to the Summary Judgement Motion Fee from \$100 to \$150.
- Approved a GF decrease of \$18.6 million from the TCTF and offset with new fee revenue from the imposition of a Continuance fee of \$100 for all civil and family law cases.
- Approved a GF decrease of \$34 million from the TCTF and offset with new fee revenue from a Security fee of \$20 on all civil and criminal filings.
- Approved a GF decrease of \$6 million from the TCTF and offset with new fee revenue from the enforcement of the fee for verbatim record keeping in civil matters.